

Government Card Services**Correction to previously communicated changes regarding International Transaction Fee structure**

In the March 4, 2005, NewsBlast we communicated that on April 3 Bank of America would begin showing an International Transaction Fee as a separate line item for each qualifying transaction. For MasterCard customers this would apply to transactions made in a foreign currency and for VISA customers this would apply to transactions made in a foreign country, regardless of the currency. This would be a change from the current billing structure where both Visa and MasterCard embed a 1% fee in transactions made in foreign currency.

Due to inconsistencies during the testing phase, Bank of America's Government Card Services is delaying the implementation of showing the International Transaction Fee as a separate line item. The new implementation date will be communicated to A/OPCs in an upcoming NewsBlast.

When implemented and separated from the transaction in a separate line item, the 1% International Transaction Fee will be assessed for only those transactions where a foreign currency conversion takes place.

A statement message will be sent to cardholders, even those that wouldn't normally receive an April statement, in order to communicate the change. The new statement message will read: Update to Foreign Currency Transactions: Effective April 1, 2005 VISA [or MasterCard] will no longer add a 1% adjustment factor to or show it as part of the U.S. dollar amount. On or before June 1, 2005, we will show a 1% amount (International Transaction Fee) as a separate line item for each qualifying transaction. See full disclosure of change by going to www.gcsuthd.bankofamerica.com/forms/caft.asp